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America's Oldest Ham Radio Newsletter

Up to the minute news from the world of amateur radio, personal computing and emerging electronics. While no guarantee is made, information is from sources we believe to be reliable.

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In This Issue...

More Amateurs Upgrading License But No Increase in Total Number Amateur Station Call Signs to July 1st Ham Census by Year, State and Class Nailing Speeders by GPS Tracking

SDR to Impact Equipment Approval Competition in Wireless Marketplace In-Flight Internet Access Coming New Internet Domain Names on Way

Nevada Casinos Head to Internet

Military Spectrum Sought for Wireless

3G Handsets: What They Will be Like Internet to Continue as Tax Free Zone

Ham License Revocation, \$11,000 Fine

Internet Scams and Pyramid Schemes

More Amateurs Upgrading, But Little Increase in Total Number

That's the bottom line in our mid-year report on the health of the U.S. Amateur Service. In the last four years, the service has grown at about a rate of 2,000 additional amateurs annually ... about threetenths of one percent a year. That is even less than the U.S. Census Bureau's total projected percentage increase in total U.S. population.

Four years ago the total amateur census stood at 674 thousand. It now stands at 682. An additional 30 thousand amateurs are still in the FCC's database which includes those with expired licenses in the two year "grace period." The FCC cancels about 1,500 licenses every month because they are not renewed before the end of the two year period. Many are silent keys.

The good news is that radioamateurs are upgrading their license class in precedented numbers. This, of course, was motivated by the FCC's restructuring of the U.S. Amateur Service last year ...especially the reduction of the Morse code reguirement to 5 words-per-minute for all license classes. Most Tech Plus, General and Advanced Class operators upgraded because the 13 and 20 wpm code was no longer required.

On April 15, 2000 the FCC also discontinued issuing new Novice, Tech Plus and Advanced Class licenses. Novice and Advanced Class licensees are able to renew their license classes indefinitely but Tech Plus operators are having their licenses renewed as Technician with retained credit for Morse

proficiency. It caused an immediate shift in the percentage of radioamateurs by class.

Number of HF operators increase

To the delight of equipment manufacturers, tens of thousands of potential customers have been added to the all band HF rolls! Only General and higher class license holders get all band privileges. Since April 15, 2000 both the General and Extra Class have increased by about 25 percent.

The Extra Class has added about 20,000 operators, the General Class another 27,000. These are essentially amateurs with lower speed code proficiency who upgraded by taking a one or two short multiple-choice written exams.

To be expected, the Novice, Tech Plus and Advanced Class have had comparable decreases. The Advanced Class has 16,000 (15 percent) less operators; Tech Plus 40,000 (30 percent) less. And there are 8,000 fewer Novices (20 percent) less - a total reduction of 54,000.

The Tech Plus Class got a "double barrel" hit since this license class is no longer being issued instead a Technician with 5-wpm code remains a Technician and existing Tech Plus licensees are having their licenses renewed as Technician (which distorts the total "no code" Technician statistics since many do indeed have code proficiency.)

Licensing statistics show that about 1,600 new Technicians are licensed for the first time monthly -

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America's Oldest Ham Radio Newsletter

Page #2

July 15, 2001

a total of about 19,000 annually.

The first No Code Tech tickets began appearing in Spring 1991. It is now ten years later and they are just now coming up for renewal.

It is very difficult, however, to determine from the FCC's licensing records the percentage of eligible Technician and Tech Plus operators that are renewing their license. But it appears that many are not. The Technician Class has increased by 20,000 since April 15, 2000 but the total number of combined Technician and Tech Plus operators has declined.

The number in the Novice Class census has been deteriorating steadily since early 1991 when the "entry level of choice" switched to the Codeless Technician. There were 95,000 Novices on February 1, 1991 ...today there are only 42,000 - a 60 percent decrease.

About 600 amateurs apply for Vanity call signs every month. Nearly half of that total hold Extra Class licenses.

Conclusion

On the surface it appears that there is a net loss of those with telegraphy skills. But this is not really accurate, since many Techs on the rolls do indeed have their 5 wpm proficiency. (Again, remember no new Tech Plus Class operator licenses are being issued and existing Tech Plus amateurs are being renewed as Technician.)

The big (unanswered) question is "How many Techs have code privileges?" No one knows, since records are kept by either the VEC System or the FCC.

The number of Technicians with 5 wpm code proficiency will increase in coming years making the term "No Code Technician" obsolete.

Reducing the faster Morse code requirements to 5 wpm (and the number of license classes to three) has motivated existing radioamateurs with code proficiency to upgrade to General and Extra. It has not, however, added new operators. The number of amateurs in each license class has merely been re-arranged upward.

The overall conclusion is that Amateur Radio is not growing in relation to the overall population. The Morse code speed or license class reduction has had no impact on growth, instead, any growth seems to mirror shifts in U.S. population.

For example: Utah, Wyoming, Nevada, Idaho, Arizona, New Mexico had triple the growth as the average state; Texas, Colorado, Oklahoma had double.)

But the high population states with major urban cities (such as California, New York, Illinois, etc.) had no growth or a net loss in the number of radioamateurs.

More than half of all U.S. licensed amateurs live in only 10 of the 50 states. The ten states with the most radioamateurs (with a comparison to 5 and 10 years ago) are:

| U. S. State | Top Ten 2001 | | | op Ten 996* | Top Ten 1991* | | |
|--------------|-----------------|---------|----|----------------|------------------|--------|--|
| California | 1 | 102,030 | 1 | 109,124 | 1 | 76,953 | |
| Texas | 2 | 41,864 | 3 | 42,551 | 3 | 30,878 | |
| Florida | 3 | 39,786 | 2 | 43,726 | 2 | 32,450 | |
| New York | 4 | 32,275 | 4 | 36,997 | 4 | 29,539 | |
| Ohio | 5 | 30,256 | 5 | 32,195 | 5 | 24,547 | |
| Pennsylvania | 6 | 24,325 | 6 | 26,003 | 6 | 20,270 | |
| Washington | 7 | 24,189 | 8 | 24,647 | 8 | 17,092 | |
| Illinois | 8 | 22,750 | 7 | 24,802 | 7 | 19,875 | |
| Michigan | 9 | 21,205 | 9 | 21,791 | 9 | 16,416 | |
| New Jersey | | | 10 | 17,906 | | | |
| N. Carolina | 10 | 18,588 | | | | | |
| Mass | | | | | 10 | 13,181 | |

Note: * = 1991 and 1996 figures includes amateurs in the 2 year "grace period." The year 2001 does not.

AMATEUR RADIO STATION CALL SIGNS

... sequentially issued as of the first of July 2001:

| Radio | Group A | Group B | Group C | Group D |
|-------------|---------|----------|-----------|---------|
| District | Extra | Advanced | Tech/Gen. | Novice |
| 0 (*) | ABØRI | KIØRZ | (***) | KC0KZH |
| 1 (*) | AA1YR | KE1LZ | (***) | KB1GZH |
| 2 (*) | AB2RE | KG2RN | (***) | KC2IEF |
| 3 (*) | AA3XF | KF3EB | (***) | KB3GUS |
| 4 (*) | AG4JO | KV4FO | (***) | KG40FC |
| 5 (*) | AD5ER | KM5XL | (***) | KD5OYQ |
| 6 (*) | AD6YG | KR6ET | (***) | KG6HAW |
| 7 (*) | AC7OB | KK7WY | (***) | KD7NRR |
| 8 (*) | AB8LF | KI8JZ | (***) | KC8RTW |
| 9 (*) | AB9CK | KG9RA | (***) | KB9ZXG |
| N. Mariana | NH0Z | AH0BB | KHØNG | WH0ABP |
| Guam | (**) | AH2DO | KH2VL | WH2ANX |
| Hawaii | (**) | AH6RB | KH7ZZ | WH6DGN |
| Am.Samoa | AH8V | AH8AI | KH8DP | WH8ABF |
| Alaska | (**) | AL7RR | KL1DH | WL7CVH |
| Virgin Isl. | (**) | KP2CR | NP2LT | WP2AIN |
| Puerto Rico | WP3T | KP3BL | WP3LF | WP4NOU |

- All 1-by-2 and 2-by-1 call signs have all been assigned. AA-AK-by-2 now being assigned.
- ** = All 2-by-1 call signs have been assigned.
- ***= Group "C" (N-by-3) call signs have all been allocated in all districts. (K-by-3 and W-by-3 are not assigned under the sequential call sign system. Available only to the Vanity Call Sign system.)

Note: The following prefix numerals are now allocated to Puerto Rico (KP, NP, WP3 or 4), Hawaii (AH, KH, NH, WH6 or 7) and Alaska (AL, KL, NL WL1 thru 0) [Source: FCC Amateur Service Database, Washington, DCI

W5YI REPORT America's Oldest Ham Radio Newsletter

Page #3 July 15, 2001

| AMATEUR RADIO SERVICE CENSUS - Individual Stations - July 1, 2001 | | | | | | | | |
|---|--------------|--------------|--------------|---------------------|---|--------------|-------------|---------------|
| State and Name | Extra | Advanced | General | Tech &Tech+ | Tech+ | Technic. | Novice | Total |
| AK Alaska | 444 | 387 | 637 | 1589 | 370 | 1219 | 158 | 3215 |
| AL Alabama | 1532 | 1299 | 2048 | 5252 | 1290 | 3962 | 397 | 10528 |
| AR Arkansas | 1007 | 825 | 1252 | 3635 | 847 | 2788 | 290 | 7009 |
| AZ Arizona | 2174 | 2094 | 3012 | 7806 | 1983 | 5823 | 603 | 15689 |
| CA California | 11123 | 11575 | 16824 | 55272 | 13824 | 41448 | 7236 | 102030 |
| CO Colorado | 1820 | 1635 | 2400 | 5790 | 1611 | 4179 | 560 | 12205 |
| CT Connecticut | 1325 | 1127 | 1894 | 3214 | 1136 | 2078 | 713 | 8273 |
| DC District of Columbia | 70 | 77 | 104 | 137 | 45 | 92 | 30 | 418 |
| DE Delaware | 240 | 179 | 320 | 570 | 200 | 370 | 80 | 1389 |
| FL Florida | 5593 | 6267 | 9718 | 15231 | 5235 | 9996 | 2977 | 39786 |
| GA Georgia | 2107 | 2051 | 2957 | 6819 | 1983 | 4836 | 667 | 14601 |
| HI Hawaii | 478 | 384 | 572 | 1643 | 457 | 1186 | 212 | 3289 |
| IA Iowa | 975 | 1072 | 1492 | 2526 | 758 | 1768 | 411 | 6476 |
| ID Idaho | 560 | 449 | 833 | 2404 | 553 | 1851 | 147 | 4393 |
| IL Illinois | 3336 | 3014 | 4943 | 9919 | 3023 | 6896 | 1538 | 22750 |
| IN Indiana | 2005 | 1837 | 3141 | 7096 | 2144 | 4952 | 896 | 14975 |
| KS Kansas | 965 | 849 | 1611 | 3390 | 965 | 2425 | 473 | 7288 |
| KY Kentucky | 1219 | 962 | 1664 | 4488 | 1192 | 3296 | 533 359 | 8866 |
| LA Louisiana | 1014 2431 | 1017 1986 | 1377 3177 | 2990 5783 | 887 2077 | 2103 3706 | 1042 | 6757 14419 |
| MA Massachusetts MD Maryland | 1887 | 1639 | 2321 | 4567 | 1524 | 3043 | 691 | 11105 |
| ME Maine | 671 | 542 | 1039 | 1896 | 584 | 1312 | 265 | 4413 |
| | 3079 | 2671 | 4558 | 9738 | 2793 | 6945 | 1159 | 21205 |
| MI Michigan MN Minnesota | 1645 | 1482 | 2400 | 4626 | 1347 | 3279 | 567 | 10720 |
| MO Missouri | 1874 | 1680 | 2757 | 5770 | 1566 | 4204 | 680 | 12761 |
| MS Mississippi | 675 | 643 | 941 | 2193 | 541 | 1652 | 210 | 4662 |
| MT Montana | 435 | 361 | 642 | 1475 | 347 | 1128 | 161 | 3074 |
| NC North Carolina | 2688 | 2381 | 3627 | 8704 | 2433 | 6271 | 1188 | 18588 |
| ND North Dakota | 220 | 169 | 368 | 725 | 222 | 503 | 80 | 1562 |
| NE Nebraska | 551 | 562 | 998 | 1588 | 502 | 1086 | 211 | 3910 |
| NH New Hampshire | 867 | 591 | 1041 | 2179 | 697 | 1482 | 280 | 4958 |
| NJ New Jersey | 2545 | 2312 | 3408 | 6123 | 2336 | 3787 | 1289 | 15677 |
| NM New Mexico | 799 | 719 | 988 | 2741 | 576 | 2165 | 155 | 5402 |
| NV Nevada | 653 | 595 | 1049 | 2260 | 568 | 1692 | 187 | 4744 |
| NY New York | 4527 | 4163 | 6761 | 13902 | 4547 | 9355 | 2922 | 32275 |
| OH Ohio | 4227 | 3600 | 6178 | 14392 | 4676 | 9716 | 1859 | 30256 |
| OK Oklahoma | 1261 | 1114 | 1589 | 4845 | 1163 | 3682 | 404 | 9213 |
| OR Oregon | 1740 | 1671 | 2974 | 6094 | 1719 | 4375 | 707 | 13186 |
| PA Pennsylvania | 3891 | 3378 | 5431 | 10037 | 3430 | 6607 | 1588 | 24325 |
| PR Puerto Rico | 360 | 486 | 839 | 2792 | 1592 | 1200 | 1829 | 6306 |
| RI Rhode Island | 387 | 266 | 540 | 946 | 411 | 535 | 190 | 2329 |
| SC South Carolina | 1058 | 877 | 1556 | 3083 | 885 | 2198 | 325 | 6899 |
| SD South Dakota | 251 | 247 | 375 | 616 | 163 | 453 | 99 | 1588 |
| TN Tennessee | 2072 | 1836 | 2752 | 6699 | 1944 | 4755 | 629 | 13988 |
| TX Texas | 6400 | 5869 | 8221 | 19563 | 5307 | 14256 | 1811 | 41864 |
| UT Utah | 768 | 631 | 1030 | 6052 | 1141 | 4911 | 255 | 8736 |
| VA Virginia | 2768 | 2363 | 3430 | 7423 | 2267 | 5156 | 940 | 16924 |
| VI Virgin Islands | 50 | 28 | 86 | 126 | 32 277 | 94 818 | 20 | 310 2232 |
| VT Vermont | 346 | 244 2921 | 446 4852 | 1095 12002 | 3356 | 8646 | 101 1229 | 24189 |
| WA Washington | 3185 1556 | 1429 | 2332 | 4809 | 1256 | 3553 | 553 | 10679 |
| WI Wisconsin | 790 | 594 | 1093 | 3691 | 800 | 2891 | 310 | 6478 |
| WV West Virginia WY Wyoming | 235 | 198 | 314 | 791 | 200 | 591 | 77 | 1615 |
| Other (See below) | 249 | 123 | 207 | 1012 | 206 | 806 | 69 | 1660 |
| Total States/Possessions | | 87471 | 137119 | 320109 | 91988 | 228121 | 42362 | 682189 |
| Percent of Total: | 13.9% | 12.8% | 20.1% | 46.9% | 13.5% | 33.4% | 6.2% | 100.0% |
| - Tront or Totali | | | | , N. Mariana Island | 209200000000000000000000000000000000000 | | | |
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Page #4 July 15, 2001

Amateur Radio Census by Month, Year and License Class -- (Last 4 Years)

End of the month census not including Amateurs with expired licenses but still in the two year grace period.

| Month | Extra | Advanced | General | Tech/Tech+ | Novice | ARS Total |
|----------------|--------|----------|---------|------------|--------|-----------|
| June-2001 | 95,128 | 87,471 | 137,119 | 320,109 | 42,362 | 682,189 |
| June-2000 | 90,451 | 90,837 | 128,652 | 320,892 | 48,441 | 679,273 |
| June-1999 | 75,113 | 103,705 | 110,838 | 331,842 | 54,502 | 676,000 |
| June-1998 | 74,274 | 104,509 | 112,977 | 322,195 | 60,125 | 674,080 |
| May-2001 | 95,974 | 87,663 | 136,950 | 320,505 | 42,698 | 683,790 |
| May-2000 | 83,104 | 96,759 | 117,903 | 330,567 | 49,016 | 677,349 |
| May-1999 | 75,004 | 103,645 | 110,914 | 330,820 | 54,993 | 675,376 |
| May-1998 | 74,210 | 104,604 | 113,061 | 321,460 | 60,638 | 673,973 |
| April-2001 | 95,644 | 87,853 | 136,514 | 320,700 | 43,241 | 683,952 |
| April-2000 | 77,530 | 101,725 | 111,337 | 337,870 | 50,077 | 678,539 |
| April-1999 | 74,981 | 103,714 | 111,100 | 330,038 | 55,696 | 675,529 |
| April-1998 | 74,192 | 104,927 | 113,603 | 320,788 | 61,594 | 675,104 |
| March-2001 | 95,243 | 88,082 | 136,056 | 321,012 | 43,966 | 684,359 |
| March-2000 | 75,985 | 103,048 | 109,787 | 338,334 | 50,630 | 677,784 |
| March-1999 | 74,855 | 103,636 | 111,162 | 328,821 | 56,245 | 674,719 |
| March-1998 | 74,066 | 104,958 | 113,682 | 319,818 | 62,243 | 674,767 |
| February-2001 | 94,824 | 88,344 | 135,437 | 320,625 | 44,564 | 683,794 |
| February-2000 | 75,609 | 103,215 | 110,047 | 336,712 | 51,263 | 676,846 |
| February-1999 | 74,689 | 103,532 | 111,176 | 327,306 | 56,700 | 673,403 |
| February-1998 | 74,067 | 105,501 | 114,341 | 318,880 | 63,239 | 676,028 |
| January-2001 | 94,147 | 88,618 | 134,616 | 320,103 | 45,118 | 682,602 |
| January-2000 | 75,428 | 103,360 | 110,201 | 335,967 | 51,762 | 676,718 |
| January-1999 | 74,622 | 103,436 | 111,259 | 326,508 | 57,008 | 672,833 |
| January-1998 | 74,043 | 105,795 | 114,798 | 318,281 | 63,892 | 676,809 |
| December-2000 | 93,807 | 88,783 | 134,144 | 319,874 | 45,632 | 682,240 |
| December-1999 | 75,392 | 103,471 | 110,386 | 335,768 | 52,375 | 677,392 |
| December-1998 | 74,669 | 103,592 | 111,513 | 326,432 | 57,617 | 673,823 |
| December-1997 | 73,949 | 105,835 | 114,877 | 317,676 | 64,169 | 676,506 |
| November-2000 | 93,417 | 89,032 | 133,689 | 319,663 | 46,362 | 682,163 |
| November-1999 | 75,293 | 103,455 | 110,406 | 334,793 | 52,819 | 676,766 |
| November-1998 | 74,496 | 103,526 | 111,498 | 325,229 | 58,034 | 672,783 |
| November-1997 | 73,939 | 106,123 | 115,280 | 317,304 | 64,868 | 677,514 |
| October-2000 | 92,903 | 89,310 | 132,818 | 319,375 | 46,776 | 681,182 |
| October-1999 | 75,252 | 103,447 | 110,488 | 333,922 | 53,078 | 676,187 |
| October-1998 | 74,509 | 103,723 | 111,851 | 324,556 | 58,423 | 673,062 |
| October-1997 | 73,915 | 106,207 | 115,460 | 316,413 | 65,142 | 677,137 |
| September-2000 | 92,541 | 89,605 | 132,144 | 319,502 | 47,180 | 680,972 |
| September-1999 | 75,207 | 103,512 | 110,518 | 333,194 | 53,510 | 675,941 |
| September-1998 | 74,366 | 103,775 | 111,989 | 323,843 | 58,705 | 672,678 |
| September-1997 | 73,794 | 106,304 | 115,639 | 315,886 | 65,372 | 676,995 |
| August-2000 | 92,015 | 89,937 | 131,361 | 319,587 | 47,670 | 680,570 |
| August-1999 | 75,186 | 103,608 | 110,651 | 332,751 | 53,825 | 676,021 |
| August-1998 | 74,318 | 103,943 | 112,255 | 323,382 | 59,021 | 672,919 |
| August-1997 | 73,804 | 106,668 | 116,079 | 315,860 | 65,909 | 678,320 |
| July-2000 | 91,142 | 90,320 | 129,789 | 319,831 | 47,839 | 678,921 |
| July-1999 | 75,166 | 103,723 | 110,780 | 332,446 | 54,203 | 676,318 |
| July-1998 | 74,315 | 104,219 | 112,623 | 322,797 | 59,448 | 673,402 |
| July-1997 | 73,737 | 107,024 | 116,629 | 314,532 | 66,551 | 678,473 |

America's Oldest Ham Radio Newsletter

Page #5 July 15, 2001

CUTTING EDGE TECHNOLOGY

Managing driver behavior - "Telematics" is a new emerging wireless GPS-based industry that permits individual vehicle and fleet owners to know the location of their cars and trucks and whether drivers are adhering to certain operating guidelines.

Clients even have the capability to determine vehicle location in real time, receive reports of out-of-bounds operation and excessive speeding, re-create exact route based on date and time, reconstruct accident information, and to remotely disable stolen vehicles.

Developed by the U.S. Dept. of Defense and released for public use, the Global Positioning System of 24 satellites is the standard for location technology. A year ago, the United States stopped the intentional degradation, called Selective Availability (or SA), of GPS signals available to the public. As a result, as of May 1, 2000, GPS receivers can pinpoint any location with accuracy to about 10 yards.

The New Haven (Connecticut) Advocate says Acme-Rent-a-Car uses GPS tracking technology from "AirlQ" to track the speed of drivers that rent its automobiles. They fined one renter \$450 last fall for speeding three times. When the driver disputed the charges, Acme was able to point out on a map exactly where he exceeded the company's threshold speed of 79 mph.

Acme uses the technology to find stolen rental cars and charge customers for excessive speed ...a policy clearly stated in the rental agreement.

According to a financing statement, AirlQ, Inc., (of Pickering, Ontario, Canada) has established contracts with licensees of Avis Car Rental, Budget Car and Truck Rental, Dollar Rent-A-Car Systems, National Car Rental, Rent-A-Wreck, Thrifty Rent-A-Car Systems, U-Save and many independent rental operators.

"AirlQ uses wireless communications, GPS-positioning technology, digitized mapping and computing intelligence to form an 'intelligent black box.'" The vehicle must be within cellular coverage to communicate two-way. Cellular covers about 95% of populated North America.

LoJack Corporation, (Dedham, MA) the world leader in stolen vehicle recovery, also uses AirlQ exclusively to give consumers, companies and law enforcement personnel "a cost effective telematics

product which offers location technology, roadside assistance, automatic collision notification and 'Mayday' services, as well as asset tracking and remote door unlocking and starter disabling." See: <www.-AirlQ.com> and <www.LoJack.com>.

Changing equipment functions by rewriting software – Currently, various hardware devices are approved by the FCC based on their adherence to a particular set of operating standards. Once certified, the radio can not be altered. But with the advent of software-defined radios (SDR), this is about to change.

In a SDR, the signal is digitized and then processed using software-programmable digital signal processing techniques. The modulated signal to be transmitted is generated as a digital signal then converted to an analog signal for transmission.

The key element is that by software programming, the radio's fundamental operating characteristics such as modulation types, frequencies, bandwidths, transmission standards and such, can be easily and quickly be changed.

Some portions of an SDR system consists of chips running software, while other portions are hardwired subsystems with options which can be selected by software. This literally allows you to "build a radio" in real time.

Japan's Ministry for Communications has already directed its Telecom Engineering Center to look at the regulatory issues for SDR equipment certification in Japan. Such regulatory support is crucial to the success of SDR technology, since the characteristics of such radios are likely to change on the fly and thus to jeopardize the radios' approval while units are in the field.

The FCC is also looking into how to approve SDR devices that can be upgraded through software changes that can be downloaded from remote locations. Such devices also could download new service applications as they are developed and made available ...eliminating the need to replace the hardware. One transceiver could also be used for a variety of unrelated functions. < www.sdrforum.org > .

EMERGING COMMUNICATIONS

Bad news for such carriers as AT&T, Sprint and WorldCom. Telephone minutes have become so cheap worldwide that there's nothing left on which to make a profit!

Internet telephone service provider, Net2Phone (Newark, NJ) is launching a new long distance service that allows people with high speed Internet access to make Net-based phone calls using their regular phones. There is no need to call from your computer!

You simply plug your regular telephone line into a new Net2Phone router which is lashed to a cable or DSL (digital subscriber line) modem. Long distance cost is 4 cents per minute for the first 250 minutes a month (\$9.99) ...and drops to 2.9¢ for 1700 minutes (nearly 30 hours of calling.) International calls start at 7.9¢ per minute.

Net2Phone's "PC-to-Phone" totally free 5-minute domestic long distance call service is still available at their < http://www.net2phone.com/> website. Yahoo and MSN both charge 2¢ per minute to talk as long as you want for computer-originated-to-standard telephone calling through their "Messenger" services.

Low cost broadband being rolled out in major cities in Japan - Begin-

ning next month, Yahoo Japan will offer high speed ASDL (asymmetrical digital subscriber line) services at a fixed monthly charge of 2,000 yen (\$16.28) ...about half the fee charged by industry leader Nippon Telegraph and Telephone Corp. Yahoo Japan is owned by Japanese Internet investor Softbank Corp. and U.S. Internet giant Yahoo Inc. (Reuters)

It does not look like widespread telephone-based high speed Internet access will be launched anytime soon in the U.S. by the nation's Bell telephone companies. The Tauzin-Dingell broadband deregulation bill is meeting stiff opposition from Senate Democrats.

The legislation seeks to amend the *Telecommunications Act of 1996*, effectively removing some of the regulatory restraints barring Bell companies from offering high-speed Internet services. The 1996 Act prevents Bell companies from offering high-speed data services in their local phone service markets until they can prove that they have opened those markets to competition. Tauzin-Dingell would erase that restriction.

f you are looking for local scanner frequencies, check out this web site: http://www.cityfreq.com/. They offer free updated scanner frequencies for thousands of cities across the U.S.

Japanese survey finds that the number of people accessing the Internet exclusively through InternetAmerica's Oldest Ham Radio Newsletter

enabled cellular phones leaped to some 6.5 million ...more than 200 times the 30,000 level last year. Another report put the total number of "i-mode" users in Japan at 24million. The demand for Internet-compatible phones has surged due to demand for wildly popular "i-mode" models by NTT DoCoMo that allow users to browse the Web and send e-mail. The small screen (only 100x100 pixels) permits 100 characters at a time to be displayed. See what "i-mode" looks liked by going to: < www.japantimes.co.jp/i/>. This is the "i-mode" mobile edition of the English language "Japan Times."

Nokia is getting into the content business. It's virtual "Club Nokia" wireless messaging, gaming service is coming to North America. It also plans to offer cellphone programming from third- party content providers. Nokia sold 128 million phones last year – one in three phones sold worldwide. Nokia believes they will have a 50 percent market share by 2005. According to market researchers, the worldwide wireless entertainment market will reach \$76 billion in 2005.

ccording to a new study by IDC (a large market research firm) cable modems will be used by 57.5 million subscribers worldwide by 2005. Cable modems grew about 178 percent to 7.2 million customers in 2000. The United States represents 53 percent of the global cable modem market.

"Work-at-home employees and power Internet users sparked demand for cable modems in the residential market, "IDC said. "Future growth will be driven by the prevalence of image-rich and video-rich applications on the Internet."

In their Sixth Annual Report on the State of Competition in the Wireless Marketplace, the FCC said the mobile phone/data industry continues to experience increased competition and innovation, translating into lower prices and an expanded assortment of services.

Digital mobile phone customers now make up 62 percent of the wireless market, up from 51 percent at the end of 1999 and 30 percent in 1998.

The report also found the sector generated more than \$52.5 billion in revenues last year with the total number of subscribers increasing by 27% ...from 86 million to 109.5 million. The nationwide cellphone penetration rate now stands at

about 39%. The FCC said 259 million people – almost 91% of the total U.S. population – now have access to three or more different wireless service operators.

"Many analysts expect that the development and deployment of advanced wireless or Third Generation (3G) services will increase the growth of mobile data services over the next several years. ...At least six carriers expect to begin deploying network technologies during late 2001 and early 2002 that will allow for mobile Internet access speeds at up to 144 kbps."

COMPUTER INFO

IBM has unveiled the world's highest resolution, flat-panel computer monitor -- enabling photograph-quality imaging for business-critical tasks. The 22-inch screen has 9 million pixels (200 pixels an inch) -- 12 times current highest resolution monitors. But few will rush out to buy it. At least not yet. Cost is a mere \$22,000.

The new technology is geared toward medicine, weather forecasting, finance, graphic design, satellite mapping and engineering. It also needs a special computer to handle so much data. Eventually the price will come down so the technology can be used in mainstream monitors. See: http://www.ibm.com/

INTERNET NEWS

There is no need to call an airline or airport to get departure, arrival, delay or schedule change information. (Schedule changes includes flights that are cancelled, re-routed or re-scheduled.)

You can get free up-to-the-minute information from http://www.trackaflight.com.

These handy "real time" sites cover all commercial airline flights operating to/from/within the United States. There is also a variety of search options that allow you to find flight info even without knowing the flight number.

Boeing's fledgling in-flight two-way "Connexion" Internet service is to be installed on 500 American, Delta

and United Airlines aircraft. The key to the service is the Boeing proprietary phased array receive and transmit antenna. Rollout is scheduled for mid- 2002. It will cost \$20.00 an hour to connect to the satellite-based service.

The two-way high speed (up to 5 MBps) broadband service will allow e-mail access, Web browsing ...as well as live TV and entertainment services, while in flight.

The service is targeted at business travelers with laptops. Market researchers say that by 2010 about 1.5 billion passengers a year will cart laptop computers onto commercial airliners. Airborne broadband services is a potential \$70 billion market.

A lready the largest and fastest search engine on the Web (averaging one-half second), Google is looking to be even faster. The giant Web search engine, will relocate its servers to Metromedia Fiber Network sites in Jose, CA and McLean, VA.

Google uses a proprietary software robot called "Googlebot" to identify, evaluate and rank (by importance) more than a billion pages of content on the web.

The word "Google" is a play on the word "googol," a number represented by "1" followed by one hundred zeros. And check out the Google graphic image site: http://images.google.com/.

merica Online, the World's leading interactive service, now has 30 million subscribers. It took 10 months to go from 20 to 25 million, only 8 months to add another 5 million. (Six million subscribers are in foreign countries.) Microsoft's MSN service is a distant second at just over 5 million customers.

Yahoo! is adding video to its Instant Messenger service so users will be

able see each other as they communicate over the computer. People who use the new feature will be able to preview their own images prior to sending them, can pause their Webcams to control the images they send and determine who on their 'Friends List' may see their own images. The big three in Instant Messaging are AOL, MSN and Yahoo.

Get ready for the new Internet domain land rush! The Internet Corporation for Assigned Names and Numbers (ICANN) has finalized agreements to integrate the ".biz" and ".info" generic top-level domain (gTLD) names into its addressing system.

VeriSign, Register.com and Neulevel, Inc., have already begun accepting registration applications from companies for the new ".biz" domain name. Up until recently, Network Solutions had a

America's Oldest Ham Radio Newsletter

July 15, 2001

monopoly in the registering of Web addresses. The new domain names will start showing up on the Internet after October 1st. (Copyright issues will be resolved by then.)

Due to the competition, the costs will be much lower. For example, Verisign charges only \$5 per ".biz" domain name application. Eventually there will be dozens of accredited registrars with whom you can reserve a ".biz" Web address.

The ".biz" domain is one of seven new global top-level domains created last year to meet the demand for more Web addresses. Other registrars will begin selling the new ".info" domain this fall ...followed by ".pro" for professionals; ".name" for personal use; ".coop" for cooperatives; ".museum" and ".aero" for aeronautical.

evada casinos are heading to the Internet. On June 13th, Nevada

Governor Kenny Guinn signed legislation that enables casino gaming over the Web. The Nevada Gaming Control Board and state Gaming Commission are now designing the regulatory framework aimed at controlling Internet gambling ... a process estimated to take some two years.

The games may only be conducted from states that do not prohibit gambling. (There is legal gambling in 47 of the 50 states.) Nevada hotel-casinos can apply to conduct Internet gambling after paying a \$100,000 application fee and \$500,000 for a two-year license. Licensees also pay a 6.25 percent state gambling tax on gross revenues. Manufacturers of interactive gambling devices pay a \$250,000 license fee. The high fees are to ensure that only the "healthiest" casinos enter the new and volatile market. It could be a huge windfall for the State of Nevada.

The U.S. Department of Justice contends that existing laws already ban American companies from offering Internet betting. They say that the Wire Wager Act, passed in the early 1960's to crack down on bookies taking and making bets over "wire communication facilities" across state borders, prohibits interstate betting over the Internet as well.

But that position took a hit last February when a U.S. District Court judge in New Orleans ruled that non-sports Internet gambling is not illegal under federal law. And what about the emerging wireless Internet?

Casino executives think there is a huge untapped market for legal Web wagering. Experts estimate that revenues from Internet gambling -- largely conducted by offshore companies because of a U.S. ban

-- reached \$1.5 billion last year and could reach \$6 billion by 2003.

WASHINGTON WHISPERS

The June 21st Wall Street Journal tells how keynote speaker FCC Chairman Mike Powell bounded onto the stage at the national cable television convention in Chicago "and did a full somersault. Mr. Powell, clad in his usual suit and tie, landed squarely on his feet to cheers and thunderous applause."

The FCC chairman made his entry on the heels of a performance by the Jesse White Tumbling Team, a group that often entertains the crowds at Chicago Bulls basketball games. "They dared me backstage to do that, and I'm not one to shrink from a challenge," Mr. Powell, a gymnast in college, explained to the crowd. "I had to do it." What made Mr. Powell's feat all the more amazing is that he has a fused spine, the result of a severe back injury that caused him to leave the military many years ago.

The Dept. of Defense appears interested in selling spectrum – In recent months, the Defense Department has come under increased pressure from Congress and private cellular companies to relinquish or share some of its valuable wireless spectrum. This has prompted a report by DoD arguing that preserving its limited spectrum is crucial to national defense missions.

With the growing use of wireless technologies, the United States is unique in that there is no spectrum policy in place to balance national security with commercial uses of frequency spectrum.

This puts the Defense Department in a vulnerable position, says Rear Adm. Robert Nutwell, a deputy assistant Secretary of Defense. He says the DoD spectrum allocation is being viewed as "beachfront property" by the cellular industry.

Nutwell believes full-band sharing is not feasible, but the DoD could vacate some parts of the spectrum under conditions that would include reimbursement for the space and finding comparable spectrum for the DoD. (Reported by Government Computer News, http://www.gcn.com.)

At the urging of the Cellular Telephone Industry Association, Rep. Charles "Chip" Pickering (R-Miss.)will sponsor a bill written by the CTIA providing for the sale of military spectrum to commercial wireless operators.

The bill was a result of Defense Dept. comments that it would part with some of its airwaves "if the price was right." The proposed legislation would create a spectrum advisory committee to help the Commerce Department and the FCC identify and allocate the spectrum.

The Pentagon wants to use the proceeds to modernize its telecommunications equipment. Wireless companies need the spectrum for advanced Internet services. The spectrum being considered is in the 1.8 GHz band.

But officials at the Defense Dept. say the spectrum can't be transferred until 2010, and some satellite-based licenses can't be moved until 2017. (Reuters)

CC and Commerce Dept. to go after military spectrum. On June

27th, FCC Chairman Mike Powell wrote a letter to the Commerce Dept. (which oversees government use of the airwaves) suggesting that the scheduled September 2002 auction of next generation wireless spectrum be delayed.

The so-called "Third Generation" will deliver the always-on high-speed Internet to wireless phones and handheld devices. The ITU calls it the International Mobile Telecommunications 2000 (or IMT-2000) service.

It unites the two most important telecommunications revolutions of the past decade: mobile devices (such as wireless cellphones) and the broadband Internet. A decision on 3G frequencies was supposed to have been made on July 30, 2001.

The U.S. would like to use the same spectrum that is used in other countries to make it possible for consumers to use their 3G handsets in other parts of the world. Harmonization of frequency bands will also provide economies of scale that lower the cost of equipment and services.

WRC-2000(Istanbul, Turkey) identified three bands for IMT-2000 (3G) systems: 698 to 960 MHz (currently used in the U.S. for UHF- TV broadcasting), 1710 to 1885 MHz (primarily used by the Dept. of Defense), and 2500 to 2690 MHz (allocated to MDS/ITFS broadband and educational video programming.)

The original thinking was that bands currently occupied by televison stations broadcasting analog TV signals might be freed up for wireless use. Broadcasters were to return their analog channel to the FCC for auctioning once the transition to digital TV was mostly complete.

America's Oldest Ham Radio Newsletter

Page #8 July 15, 2001

But the transition from analog to digital TV broadcasting has not been going as well as planned and it is unclear whether the analog spectrum will be available.

It now appears that a major effort will be underway to land some of the Pentagon's coveted frequencies. The 1755 to 1850 MHz band is being targeted.

Powell said the agency needed more time to consider its options which could mean a delay in the auction date.

Here is what the ITU envisions that the 3G wireless handset will be like:

"This new device will be compact enough to fit unobtrusively into a pocket or handbag, and will seamless integrate the functions of a whole range of different equipment.

"It will function as a phone, a computer, a television, a pager, a videoconferencing center, a newspaper, a diary and even a credit card.

"The new personal communicator will support not only voice communications, but also real-time video and full-scale multimedia via a screen that can be pulled-out and flexible.

"It will also function as a portable address book and agenda, containing all the information about meetings and contacts and able to remind you automatically before an important appointment or automatically connect to an audio or videoconference at a specified time.

"It will automatically search the Internet for relevant news and information on pre-selected subjects, book your next holiday for you on-line, and download a bedtime story for your child, complete with moving pictures.

"It will even be able to pay for goods when you shop via wireless electronic funds transfer.

"In short, the new mobile handset will become the single, indispensable 'life tool', carried everywhere by everyone, just like a wallet or purse is today."

Early reports indicate that the Internet will continue as a tax-exempt zone until 2006. In 1998, Congress passed the Internet Tax Freedom Act (ITFA), which (among other things) established a three-year moratorium on any new taxing of purchases made over the Internet. The current moratorium on new taxes expires in just three months, October 21, 2001.

Congress still has not yet decided what they will do. Needless to say, the

states want to implement some sort of system to collect sales taxes on Internet purchases. They claim that traditional stores are at a competitive disadvantage when they must tax a product that can be purchased over the Web tax-free.

Based on Internet sales projections, lost revenue in unpaid sales tax from online transactions could reach \$10.8 billion by 2003. Sales tax revenues currently amount to about \$150 billion annually and, on average, make up approximately one-third of all state revenues.

Actually, the moratorium did not address sales taxes which are governed by a Supreme Court decision which holds that a seller must have a "physical presence" in a state in order to require collection. Taxes are really still supposed to be paid by the buyer; they are then called a "use tax" rather than a "sales tax." But they are basically uncollectible.

It is now starting to look like the temporary ban on e-commerce taxation will be extended for another three to five years. A Senate committee considering the issue concluded the sales tax issue is far too complicated to address this year.

Furthermore, many Republicans say that imposing a sales tax on Internet purchases would be tantamount to a tax increase. Virginia Gov. Jim Gilmore, who headed up Congress' 19-member Advisory Commission on Electronic Commerce, believes no Internet taxation is necessary. He is also chairman of the Republican National Committee.

Various bills have been introduced that would make the moratorium permanent (\$328, \$1611 and HR 3252). On the other hand, Sen. Ernest Hollings (D-SC) wants to impose a 5% national sales tax on Internet sales (\$1433).

Any legislation to change the current situation would still have to pass both houses of Congress and anything that 'smells' like new taxes has little chance of passage in the Republican-led House. Rep. Billy Tauzin, R-La., chairman of the House Commerce Committee said "I really don't see us doing much more than extending the current law." That isn't sitting well with local and state governments ...and "brick-and-mortar" retailers.

AMATEUR RADIO

Even though the Phase 3D/AO-40 Amateur Satellite has been anything but a success, AMSAT is already looking

ahead to the next bird. AMSAT-NA President Robin Haighton, VE3FRH, says AMSAT's newest satellite project could be launched within three years. Design work on the new satellite is already underway.

The new satellite will not be a low-Earth-orbiting bird but will have an elliptical orbit very similar to the current AO-4O orbit which would provide up to 17 hours of usage out of every 24. The new satellite is code-named "Project]]" after the two people who came up with the idea -- Lyle Johnson, KK7P, and Dick Jannson, WD4FAB. AMSAT has already started contacting launch agencies.

The most recent IARU Region 2 News tells about how a Swedish sailboat skipper was shot when pirates accosted his vessel March 20 off the coast of Venezuela, remains hospitalized in Trinidad. The victim has been identified as Bo Altheden, SM7XBH, of Bjärred, Sweden. Hams on the Maritime Mobile Service Net assisted Altheden and his wife, ViVi-Maj Miren, after Miren put out a call for help on 20 meters.

One of the hams who assisted in coordinating the rescue, Eric Mackie, 9Z4CP, of Trinidad, met with Miren aboard the couple's vessel in Trinidad and was able to learn additional details about what happened. According to what Miren told Mackie, the couple was en route to Trinidad and Tobago and having lunch around 12:30 PM Atlantic Standard Time when their 44-foot-ketch Lorna was approached by six men in a fishing boat.

"The vessel approached from behind, pulled alongside and Bo went out on deck to see what they wanted," Mackie related. "They asked for cigarettes, and Bo said they did not smoke."

Sensing trouble, Altheden started back toward the helm with the intention of pulling away from the other vessel -- a fishing boat. But as he turned away, the intruders shot him once in the back. Miren told Mackie that the bullet wound caused considerable internal damage and bleeding. At that point, the pirates boarded the Lorna and helped themselves to what was on board.

According to Mackie, the pirates' booty amounted to less than \$20 in cash and a few miscellaneous items. Before leaving, the pirates destroyed two VHF radios but missed the HF radio -- an SGC SG-2020. Miren fired up the transceiver and found her way to 20 meters, where she located the Maritime Mobile Service Net on 14.300 MHz. Her calls for help

America's Oldest Ham Radio Newsletter

Page #9 July 15, 2001

eventually were heard, although some on frequency later said they'd worried that her pleas might be overlooked. Mackie and others broke in to alert the Net to her calls -- made nearly three hours after the shooting.

Mackie also was able to contact the Trinidad and Tobago Coast Guard, which came on frequency to speak with the Lorna directly, he said.

As it worked out, vessels from the Venezuelan Navy and the Trinidadian Coast Guard arrived on scene at approximately the same time. While a medical team from Trinidad was able to board the Lorna, it was decided to wait until the vessel was in calmer waters before attempting to transfer Altheden to the Coast Guard vessel. Altheden remains in critical, but stable, condition at St Clair Medical Center, a private hospital set up to deal with trauma cases.

The shooting was an eerie reminder of a similar pirate attack one year ago in the Caribbean. In that incident, March 28, 2000, armed marauders shot young Willem van Tuijl from the Netherlands, who was sailing with his parents at the time.

The week of June 11th was a rough week for the QRZ website. If you

had trouble reaching them, here is the story. First, the company that was handling their secure credit card processing went out of business. This meant that their online license renewal system was shut down, and no QRZ products could be sold. A new credit card processing provider (Verisign) had to be quickly found and new software implemented.

Then on Thursday, June 14th QRZ's FAX, DSL and T1 Internet connection went dead. A nearby Horizontal Boring Machine that was drilling holes for fiber optic cable severed a huge cable containing 1500 telephone and data lines. It took some time to splice and seal up the cable. But everything is now back online and QRZ.com is working as good as ever!

Know what's happening (and planned to happen) on the various

VHF and higher radio frequencies. Authored by Washington, DC-based Benn Kobb, KC5CW, "The Wireless Spectrum Finder" is a 500-page reference handbook that tells you which radio services use the more than 350 bands in the U.S. between 30 MHz and 300 GHz. We find it invaluable when doing research on the spectrum allocations for the various radio services and the FCC regulations that apply. There is also an interesting section on Ultrawide-

band Radio (UWB) and Software-Defined Radio (SDR). Kobb holds a Masters Degree in Telecommunications from the Univ. of Colorado. From McGraw-Hill Telecom (ISBN: 0071375066) \$49.95

FCC Amateur Radio Enforcement

The FCC has revoked both the GMRS (KAE1170) and General Class licenses of Leslie D. Brewer, KC4HAZ (Tampa, Florida) and fined him \$11,000 for repeatedly operating an FM "pirate radio" station and marketing illegal" broadcast transmitting equipment. The commission concluded that Brewer "...lacks the basic character qualifications to be and remain a Commission licensee."

Brewer owns a 2-way radio electronics shop in Tampa, Florida and assembles radio equipment.

On January 10, 1996 FCC Tampa field office engineers traced a pirate FM station broadcasting on 102.1 MHz to Brewer's home. He was issued a warning about unlicensed operation. Brewer said that any further operation would be under Part 15 low-power guidelines.

But a month later, the FCC found him once again operating his unlicensed FM station. Field strength readings by the FCC showed operation at levels higher than authorized under Part 15. Even though Brewer questioned the accuracy of the reading, he was fined \$1,000.

Brewer continued his pirate operations throughout 1996 and into 1997. When a Sarasota, Florida FM station (WHPT-FM 102.5 MHz) complained of interference, the FCC and U.S. Marshals Service raided his home on November 19, 1997 and confiscated his FM transmission equipment.

The record shows that Brewer attempted multiple times to legally apply to operate an FM station. On November 8, 1999 while one of his applications was pending, Brewer resumed his unlicensed "pirate" broadcasts on 102.1 MHz.

This time it was from a warehouse in a Tampa shopping mall. Cancelled checks showed Brewer had leased the warehouse space. Subsequent monitoring indicated he was using an unlicensed studio-to-transmitter (STL) link on 950.0925 MHz to route the FM programming from his home to the warehouse.

In addition to operating pirate FM and STL facilities, Brewer also sold unauthorized FM broadcast transmitting equipment. When confronted, Brewer denied the accusation. But during the fall of 1998, FCC undercover agents were able

to purchase a 20-watt FM transmitter for \$560 from him. This resulted in another \$10,000 fine "....for selling an unauthorized radio frequency device."

A "Show Cause" order was issued on March 5, 2001 and Brewer was given an opportunity for a hearing. He failed to appear or respond and on June 26, 2001, the FCC released a the revocation and forfeiture order.

"Operating unlicensed radio facilities in deliberate and brazen defiance of our rules cannot and will not be tolerated." FCC said. He was ordered to pay the \$11,000 fine within 30 days or face action by the Department of Justice.

The Gary L. Gribble Trucking Company (Rockwood, PA) has been issued a warning for their alleged unlicensed operation on the ten meter ham band. The FCC said the trucking company had been monitored while enroute to and parked in - Albany, NY. Such unlicensed operation could subject them to imprisonment, a \$7500 to \$10,000 fine

and seizure of the transmitting equipment.

ester M. Killingsworth KE6WSC
(Hollywood, CA), a user of the notorious W6NUT repeater has been notified that the FCC has begun enforcement action against his Amateur license. The Commission said that he is not only "seriously misinformed about the basis and purpose of the allocation of spectrum for Amateur Radio" but also about the "Commission's enforcement of the prohibition against obscene or indecent Amateur radio transmissions as well."

"Obscene speech is not protected by the First Amendment and cannot be broadcast at any time." The Commission released a transcript of Killingsworth's May 17th transmission on 147.435 MHz and it indeed fits the three prong obscene material test:

- "(1) an average person, applying contemporary community standards, must find that the material, as a whole appeals to the prurient interest,
- "(2) the material must depict or describe, in a patently offensive way, sexual conduct..., and
- "(3) the material, taken as a whole, must lack serious literary, artistic, political or scientific value."

Indecency is defined "...as language or material that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs."

America's Oldest Ham Radio Newsletter

Page #10
July 15, 2001

FEDERAL TRADE COMMISSION IS KEPT BUSY DEALING WITH INTERNET SCAMS AND ILLEGAL PYRAMID SCHEMES

On June 18th, the FTC took steps to halt what it believes is the unlawful multi-level marketing operations of Tulsa-based <www.SkyBiz.com>. The agency charged that their sale of online tutorials on building Web sites is actually a massive illegal pyramid scheme which may have conned consumers around the world out of approximately \$175,000,000. The firm started business in 1998.

The four Oklahoma companies named in the federal lawsuit are SkyBiz.com Inc.; World Service Corporation; Nanci Corporation International; and WorldWide Service Corporation. SkyBiz says it operates in 200 countries ...several of which have – or are in the process of – taking legal action against the firm. The FTC is seeking to shut down the company and return money to consumers. The FTC said their suit is not a finding or ruling that the defendant has actually violated the law and that "The case will be decided by the court."

Many of the sales leads that SkyBiz "Associates" obtain apparently came from sending out spam. It reportedly caused many complaints against SkyBiz and the firm advised "members" not to send out spam and or put any of the following names in any unsolicited e-mails: SkyBiz, Skynary, Skybusiness, Skyfamily, familyontheweb, companyonetheweb and skyboom ...or any domain names hosted by SkyBiz.

These sites are directed at churches, families, companies ...you name it. These domain names are in the process of being changed to: skywebsite.com, skywebbiz.com, skywebfamily.com, skywebco.com and myskyfamily.com. SkyBiz is a huge, international operation!

The FTC says that SkyBiz has promoted the work-at-home business opportunity with claims of quick riches. The agency said that SkyBiz charges \$125 to buy an "e-Commerce Web Pak," (we saw \$100) which in reality is to purchase the right to receive compensation for recruiting additional downline participants. SkyBiz says it returns \$70 to "associates" for every \$100 web site package sold to new signups.

SkyBiz hosts thousands of web sites, with many – perhaps most – trying to get others to purchase the Sky-Biz 2000 site building kit and participate in their "Home Based Business Program." These sites have a link to the SkyBiz corporate site where visitors are told about the business and invited to complete a form.

SkyBiz continues to operate and is treating the FTC charges as a very temporary obstacle. But it is holding up commission checks -- including those issued but not yet cashed since its assets have been frozen by the court. The firm has also advised that until further notice "all corporate functions including meetings, conventions, etc. will not have a corporate presence" and their upcoming programs have been put on "hold" while they deal with their "legal activities." The firm has issued the following state-

ment to their member "associates":

"The FTC's announcement of the charges was improper because the case is still in the courts, and we certainly deny that there is any illegal scheme.

"The Burden of Proof has been placed upon the FTC to prove SkyBiz as an illegal pyramid scheme, and they have acted prematurely in their accusations. As you, the associates, know we do create and sell products and services that have immense value, worth much more than the low annual fee paid. Additionally, associates are compensated by the sales they create, not by the associates they recruit."

"Additionally, we would like to assert that statements made were unfounded and untrue."

SkyBiz has also placed a new "pop up" box on their website with the following policy statement:

"It is a violation of company policy to make any kind of statement regarding the potential for income or any other kind of income representation -- personal or otherwise. Any Associate found making any such statement or representation in person or on websites, printed material, recorded audio messages, video, e-mails or business presentations, will have his/her earnings immediately suspended and website(s) disabled."

SkyBiz is not the only multi-level marketer (MLM) specializing in web site building on an international basis. Another operated by a subsidiary of New Vision International of Tempe AZ is: http://ivision.evisionbiz.com.

• The FTC filed suit in U.S. District Court against <www.rhinopoint.com> to halt a deceptive Internet access fee scam which "...conned consumers into paying membership fees ranging from \$10 to \$16 and turning over sensitive personal and financial information by deceptively claiming it would pay their Internet access fees." The network members had to agree to complete monthly marketing surveys.

The FTC said at least 59,000 consumers enrolled but that the access fees was paid in only a very few cases. The suite names New Millennium Concepts, Inc., doing business as Rhinopoint.com and Karl V. Kay of Hoffman Estates, Illinois. A preliminary injunction prohibits misrepresentations, freezes the defendants' assets, and bars the use of the consumer data, pending trial.

The FTC alleges that the operation pocketed about \$500,000 in "set-up" fees, but did not follow up with "marketing surveys" or pay Internet access fees for most of the consumers. court documents say.

The FTC is seeking a permanent halt to the scam, a ban on the use of the consumers' personal and financial information, and return of membership fees and personal information.